



**RED RIVER BANCSHARES, INC.**

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**INVESTOR PRESENTATION**

**GULF SOUTH BANK CONFERENCE**

**MAY 7 - 9, 2023**

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**As of March 31, 2023**

**Nasdaq: RRBI**



# Forward-Looking Statements and Non-GAAP Information

Statements in this presentation regarding our expectations and beliefs about our future financial performance and financial condition, as well as trends in our business and markets, are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “project,” “outlook,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may.” The forward-looking statements in this presentation are based on current information and on assumptions that we make about future events and circumstances that are subject to a number of risks and uncertainties that are often difficult to predict and beyond our control. As a result of those risks and uncertainties, our actual financial results in the future could differ, possibly materially, from those expressed in or implied by the forward-looking statements contained in this presentation and could cause us to make changes to our future plans. Additional information regarding these and other risks and uncertainties to which our business and future financial performance are subject is contained in the section titled “Risk Factors” in our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q, and in other documents that we file with the SEC from time to time. In addition, our actual financial results in the future may differ from those currently expected due to additional risks and uncertainties of which we are not currently aware or which we do not currently view as, but in the future may become, material to our business or operating results. Due to these and other possible uncertainties and risks, readers are cautioned not to place undue reliance on the forward-looking statements contained in this presentation or to make predictions based solely on historical financial performance. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. All forward-looking statements, express or implied, included in this presentation are qualified in their entirety by this cautionary statement.

This presentation includes industry and trade association data, forecasts, and information that we have prepared based, in part, upon data, forecasts, and information obtained from independent trade associations, industry publications and surveys, government agencies, and other information publicly available to us, which information may be specific to particular markets or geographic locations. Some data is also based on our good faith estimates, which are derived from management’s knowledge of the industry and independent sources. Industry publications, surveys, and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Statements as to our market position are based on market data currently available to us. Although we believe these sources are reliable, we have not independently verified the information. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors. Similarly, we believe our internal research is reliable, even though such research has not been verified by any independent sources.

Our accounting and reporting policies conform to United States GAAP and the prevailing practices in the banking industry. Certain financial measures used by management to evaluate our operating performance are discussed as supplemental non-GAAP performance measures. In accordance with SEC rules, we classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP as in effect from time to time in the U.S. Management and the board of directors review tangible book value per share, tangible common equity to tangible assets, realized book value per share, and SBA PPP-adjusted metrics as part of managing operating performance. However, these non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the manner that we calculate the non-GAAP financial measures that are discussed may differ from that of other companies reporting measures with similar names. It is important to understand how such other banking organizations calculate and name their financial measures similar to the non-GAAP financial measures discussed by us when comparing such non-GAAP financial measures. A reconciliation of non-GAAP financial measures to the comparable GAAP financial measures is included in the Appendix to this presentation.



# Glossary of Terms

- 1Q22 – First Quarter of 2022
- 2Q22 – Second Quarter of 2022
- 3Q22 – Third Quarter of 2022
- 4Q22 – Fourth Quarter of 2022
- 1Q23 – First Quarter of 2023
- 2Q23 – Second Quarter of 2023
- 3Q23 – Third Quarter of 2023
- 1-4 FR – One-to-four family residential
- ACL – Allowance for credit losses
- AFS – Available-for-sale
- API – Application Programming Interface
- B.A. – Bachelor of Arts
- B.B.A. – Bachelor of Business Administration
- BOLI – Bank owned life insurance
- bp(s) – Basis point(s)
- B.S. – Bachelor of Science
- C&D – Construction and land development loans
- C&I – Commercial and industrial loans
- CAGR – Compound annual growth rate
- CECL – Current Expected Credit Losses
- CGMA – Chartered Global Management Accountant
- CL(s) – Criticized Loans
- CMBS – Commercial Mortgage-Backed Securities
- CPA – Certified Public Accountant
- CRA – Community Reinvestment Act
- CRE – Commercial real estate
- DDA – Demand deposit accounts
- EPS – Earnings per share
- FDIC – Federal Deposit Insurance Corporation
- FNMA – Federal National Mortgage Association
- FTE – Fully taxable equivalent basis
- GAAP – Generally Accepted Accounting Principles in the United States of America
- HFI – Held for investment
- HFS – Held for sale
- HTM – Held-to-maturity
- ICS – Insured Cash Sweep
- IPO – Initial public offering
- J.D. – Juris Doctor
- LDPO – Loan and deposit production office
- LPO – Loan production office
- LIBOR – London Inter-Bank Offered Rate
- M – Dollars in millions
- M.B.A. – Master of Business Administration
- MBS – Mortgage-backed securities
- N/A – Not applicable
- NIM – Net interest margin
- NOW – Negotiable order of withdrawal
- NPA(s) – Nonperforming asset(s)
- NPL(s) – Nonperforming loan(s)
- PPP – Paycheck Protection Program
- P2P – Peer-to-peer
- ROA – Return on average assets
- ROE – Return on average equity
- SBA – Small Business Administration
- SBIC – Small Business Investment Company
- SEC – United States Securities and Exchange Commission
- U.S. – United States of America
- vs. – Versus

# Strong. Stable.

We're your people.



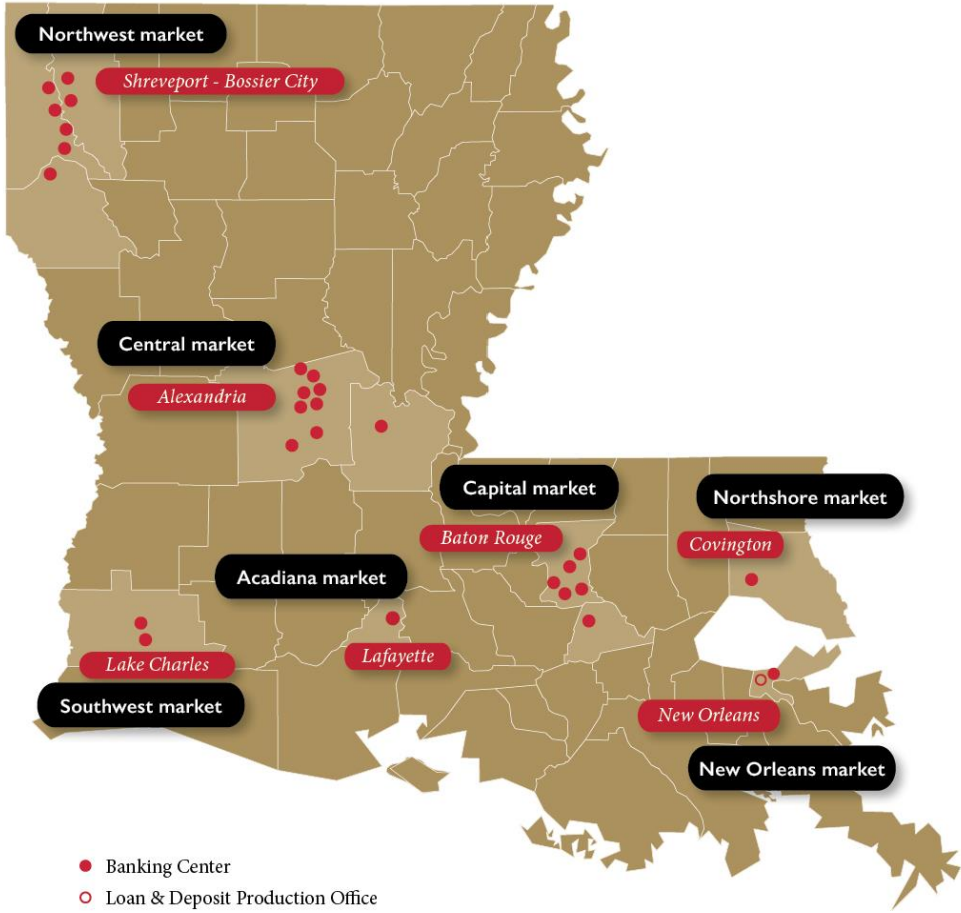
RED RIVER BANK

[reddriverbank.net](http://reddriverbank.net)

Member  
**FDIC**

# Company Overview

- Established in 1998 in Alexandria, Louisiana
- Completed IPO in May 2019
- Nasdaq: RRBI
- Included in Russell 2000 Index
- As of March 31, 2023:
  - Assets = \$3.03 billion
  - Loans HFI = \$1.92 billion
  - Securities = \$765.2 million
  - Deposits = \$2.73 billion
  - Market capitalization = \$345.3 million
- Ownership
  - Insiders = 34%
  - Institutions = 19%<sup>1</sup>
  - Public and other = 47%
- Named in American Banker's "2022 Best Banks to Work For"<sup>2</sup>
- Named among the top 2.7% of all banks nationwide as "best-in-state"<sup>3</sup>
- Fifth largest Louisiana-headquartered bank based on assets as of December 31, 2022
- Ranked 45<sup>th</sup> in S&P Global Market Intelligence's Top 50 Community Banks \$3 - \$10 billion<sup>4</sup>



<sup>1</sup>Source: Based on filings made with the SEC, as reported by S&P Capital IQ Pro  
<sup>2</sup>Source: According to an article published by American Banker on November 15, 2022  
<sup>3</sup>Source: According to an article published by Forbes on June 21, 2022  
<sup>4</sup>Source: According to a press release issued by S&P Global Market Intelligence on March 22, 2023



# Company Strengths

- Consistent, long-term track record of financial results and steady growth
- Conservative credit culture with solid asset quality
- Granular, diversified, relationship-based loan and deposit portfolios
- Solid liquidity position
- No internet-sourced or brokered deposits
- No borrowings or debt
- Primarily *de novo* growth strategy with selective strategic expansion into new markets
- Strategic banking center network
  - Operating in the largest markets in Louisiana
  - 27 banking centers and an LDPO in Louisiana
  - Average deposits per center = \$101.2 million
- Strong capital position
  - Well capitalized
  - Consistent quarterly dividends
  - Stock repurchase program in place
- Continuity of leadership – four of our top executives are part of the founding management team

# History & Strategy

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RED RIVER BANCSHARES, INC.



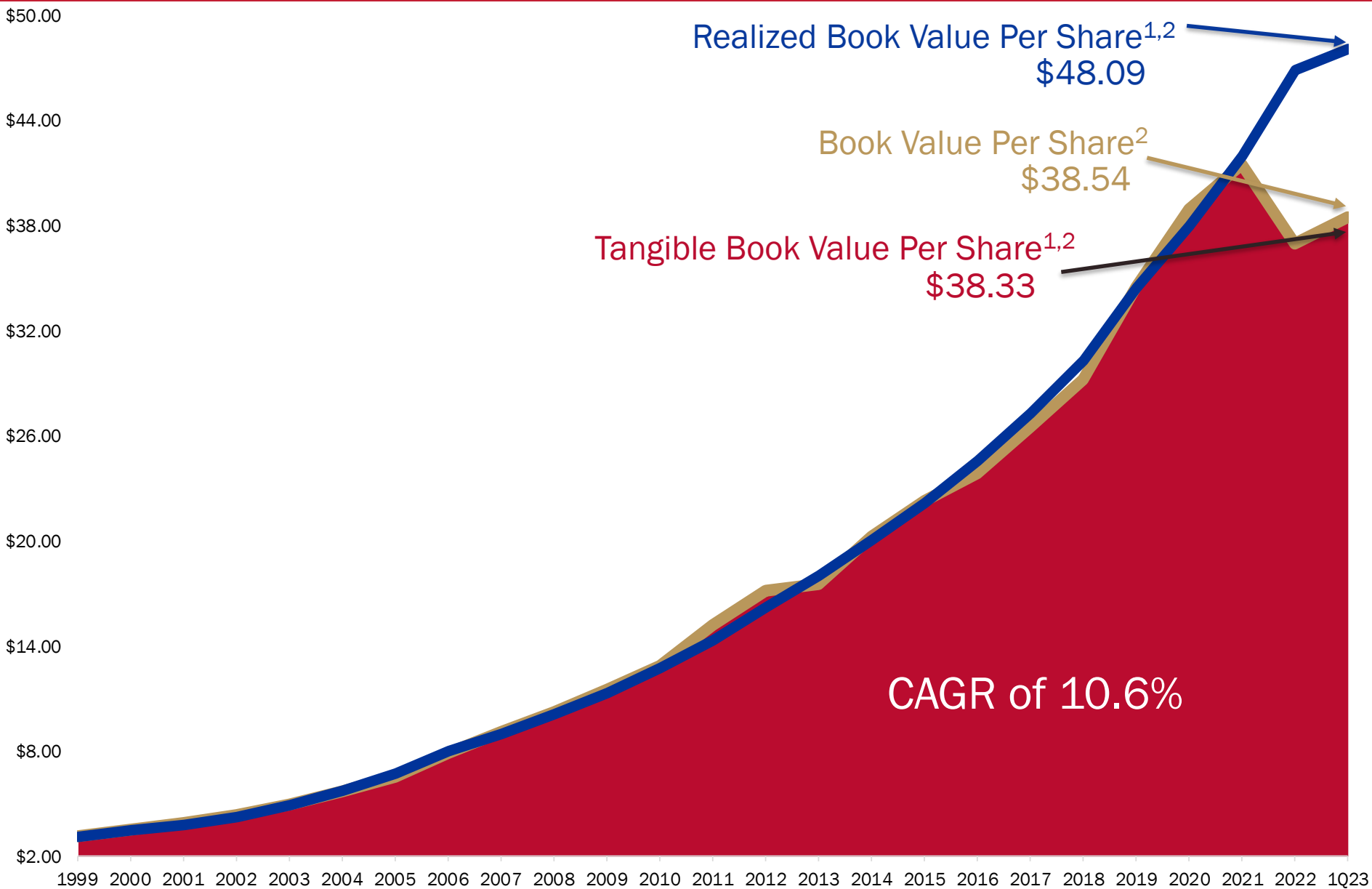
# Company History

- 1998 • Completed first stock offering of \$12.4M
- 1999 • Red River Bank opened in Rapides Parish
- 2000 • Completed stock offering of \$4.0M
- 2003 • Acquired Bank of Lecompte in Central Louisiana
- 2006 • Expanded into Northwest Market via banking center, and completed stock offering of \$5.0M
- 2009 • Completed stock offering of \$7.4M
- 2013 • Expanded into Capital Market via Fidelity Bancorp, Inc. acquisition
- 2017 • Expanded into Southwest Market via LPO. Completed stock offering of \$12.1M
- 2019 • Expanded into Northshore Market via LPO. Completed IPO of \$26.8M
- 2020 • Expanded into Acadiana Market via LDPO
- 2021 • Expanded into New Orleans Market via LDPO





# Book Value Growth



Note: Each year on the Book Value Graph represents year-end financial data.

<sup>1</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.

<sup>2</sup>Adjusted for 2-for-1 stock split with a record date of October 1, 2018 and 15-for-1 stock split with a record date of November 30, 2005.



# Leadership Team



R. Blake Chatelain

- President, Chief Executive Officer, and Director
- Founding management
- Previously Executive Vice President of Rapides Bank & Trust Company, a subsidiary of First Commerce Corporation
- B.S. in Finance from Louisiana State University



Isabel V. Carriere,  
CPA, CGMA

- Executive Vice President and Chief Financial Officer
- Founding management
- Previously Manager of the Financial Planning Department at Whitney National Bank, in the Financial Planning and Financial Reporting Department of First Commerce Corporation, and audited depository organizations and their holding companies with KPMG
- B.S. in Management from Tulane University



Bryon C. Salazar

- Executive Vice President, Chief Lending Officer, and Director<sup>1</sup>
- Founding management
- Current Past Chairman for the Board of Trustees of Rapides Regional Medical Center
- Previously Commercial Banker at Rapides Bank & Trust Company
- B.S. in Finance from Louisiana State University



Tammi R. Salazar

- Executive Vice President and Chief Operating Officer<sup>1</sup>
- Founding management
- Previously Vice President of Rapides Bank & Trust Company
- Director of the Rapides Children's Advocacy Network, River Oaks Art Center, and Christus Cabrini Foundation
- B.S. in Finance from Louisiana Tech University



Julia Callis, J.D.

- Senior Vice President, General Counsel, and Corporate Secretary
- Joined Red River Bank in 2020
- Previously with Cleco Corporate Holdings LLC and Thompson & Knight LLP
- B.A. in English from Vanderbilt University and J.D. from Louisiana State University



G. Bridges Hall, IV

- Senior Vice President and Chief Credit Policy Officer<sup>1</sup>
- Joined Red River Bank in 2006
- Previously Credit Department Manager (Dallas) at Hibernia National Bank
- B.S. in Business Administration from Northwestern State University, M.B.A. from Louisiana State University-Shreveport, and attended the Graduate School of Banking at Louisiana State University



Debbie B. Triche

- Senior Vice President and Retail Administrator<sup>1</sup>
- Joined Red River Bank in 2000
- Previously Vice President and Retail Branch Manager at Rapides Bank & Trust Company
- B.S. in Marketing from Louisiana Tech University



Andrew B. Cutrer

- Senior Vice President and Director of Human Resources
- Joined Red River Bank in 2001
- Previously Director of Human Resources at Bunkie General Hospital
- B.S. in Management and Marketing from Louisiana College and M.B.A. from Louisiana Tech University



David K. Thompson

- Capital Market President<sup>1</sup>
- Joined Red River Bank in 2015
- Previously Baton Rouge Commercial Group Lender at IBERIABANK
- B.B.A. in Finance from University of Louisiana-Monroe and attended the Graduate School of Banking at Louisiana State University

<sup>1</sup>Position with Red River Bank



# Growth Strategies

## De Novo Growth Strategies

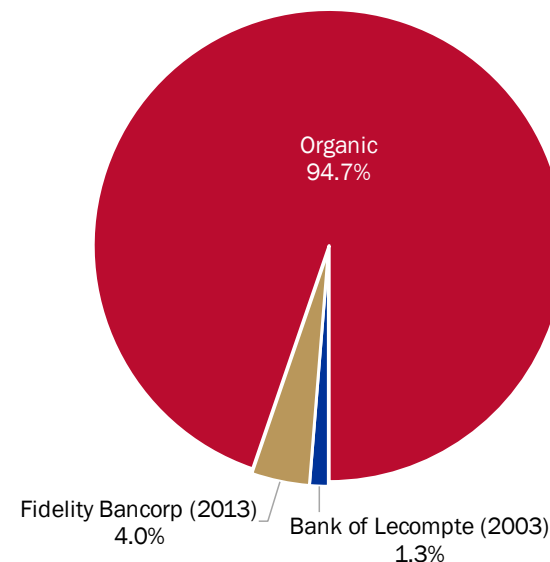
- Disciplined, targeted investments for smart growth
- Target markets with significant disruption by competitors
- Concentrate on urban markets with growth potential
- Focus on markets where market share is held by large national and regional banks
- Hire experienced leadership from the market to build a team
- Offer an authentic, full-service, relationship-based community bank experience
- Establish presence initially with an LDPO then build or buy and remodel a banking center

## Disciplined Acquisition Strategy

- Successfully integrated two acquisitions and positioned to capitalize on future opportunities

## Historical Asset Growth Method

As of March 31, 2023





## Conservative Credit Culture

- Our founding management team developed the initial credit culture, predicated upon conservative underwriting principles carried over from regional bank experience. This same team has overseen the implementation and periodic adjustment of these core lending tenets over a 24-year time frame.

## Experienced Bankers

- In addition to a cohesive, long-tenured executive management team, we enjoy the benefits of an experienced group of client-facing bankers, which has resulted in steady, diversified, organic loan growth, combined with excellent quality metrics.

## Relationship-Driven Client Focus

- Our loan portfolio is well below CRE portfolio concentration guidelines, which complements our conservative lending philosophy and simultaneously drives our relationship-driven client focus, resulting in a strong core deposit base and enhanced liquidity options.

## "Footprint" Lending

- We have a low level of participations purchased and shared national credits. Our portfolio is further characterized by modest hold limits, strong oversight, and rapid response to problem loan resolution.

## Consistent Lending Standards

- Fundamental goals continue to include measured growth, broad diversification, and high-quality performance. Underwriting standards remain consistent regardless of economic conditions.

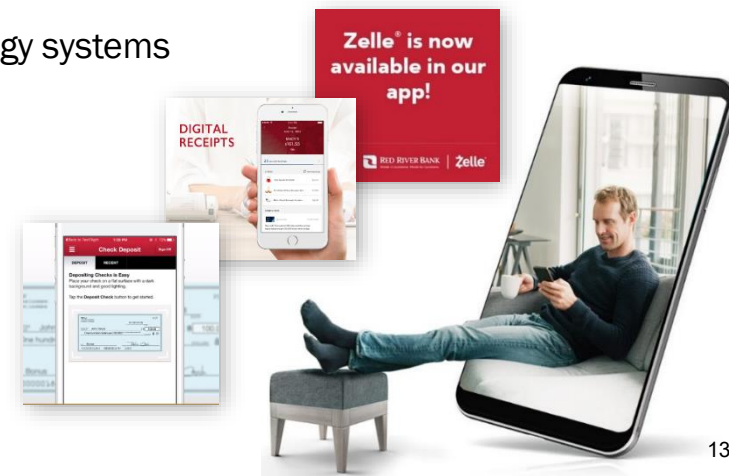


## Strategies and Recent Systems

- Robust commercial treasury systems
- P2P payments platform provided by Zelle®
- Online and mobile banking channels: Mobile deposit, digital receipts, Apple Pay, mobile wallet, and debit card controls
- Launched redesigned, contactless debit cards
- Online deposit account opening and mortgage applications
  - Implement an upgrade to include a “Verification of Life” system in an effort to reduce fraud
- Implemented SQN Banking Systems’ fraud detection system to screen all checks
- Mobile, automated small dollar loan system
- Implementing MeridianLink system for end-to-end small business and consumer loan application system
- Completion in 2Q23 of our core system upgrade to improve efficiency, accuracy, and streamline operations
- Utilize API for automation of processes to improve efficiency and manage headcount
- Invested in the JAM FINTOP Banktech fund as a resource for technology systems

## Future Improvements and Plans

- Research vendors for ACH and wire fraud detection systems



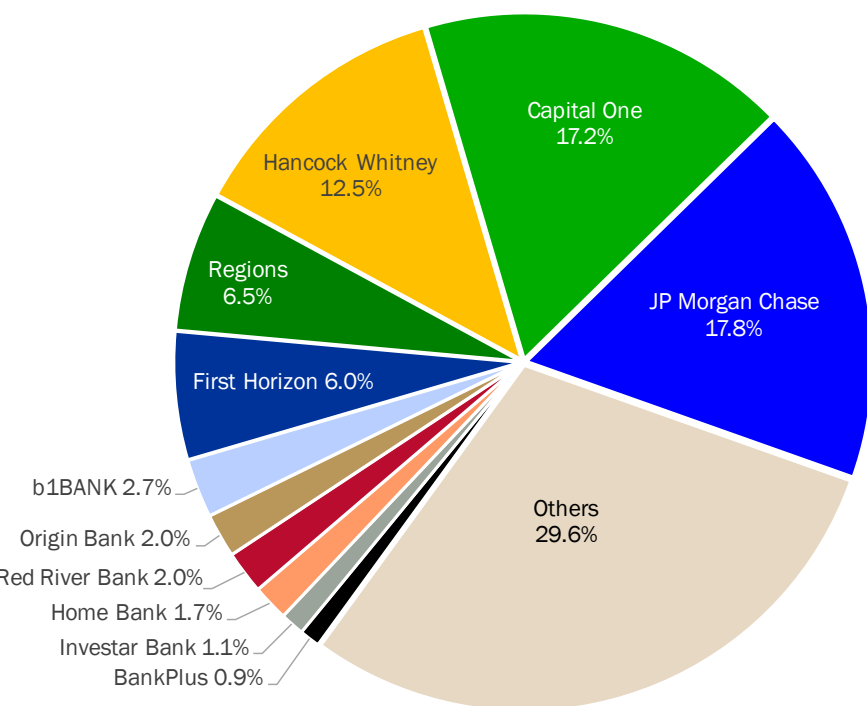


# Competitive Landscape

- Red River Bank holds 2.0% of Louisiana deposits<sup>1</sup>
- 60.0% of Louisiana deposits are held by large national or regional banks<sup>1</sup>
- Large banks deemphasizing markets we serve
- In 1Q22, TD Bank Group announced an agreement to purchase First Horizon

## Deposits in Louisiana<sup>1</sup>

\$144.0 billion  
As of June 30, 2022



## Deposit Market Share as of June 30, 2022<sup>1</sup>

Markets	Red River Bank			Total
	Rank	% of Marketshare	\$M	\$M
Central Market	1 <sup>st</sup>	38.5%	\$ 1,613	\$ 4,187
Northwest Market	8 <sup>th</sup>	5.2%	\$ 553	\$ 10,734
Capital Market	8 <sup>th</sup>	2.4%	\$ 582	\$ 24,034
Southwest Market	12 <sup>th</sup>	1.0%	\$ 65	\$ 6,395
Northshore Market	21 <sup>st</sup>	0.3%	\$ 26	\$ 8,066
Acadiana Market	22 <sup>nd</sup>	0.3%	\$ 23	\$ 9,001
New Orleans Market	n/a	n/a	n/a	\$ 37,793
State of Louisiana	8 <sup>th</sup>	2.0%	\$ 2,862	\$ 143,964

<sup>1</sup>Source: FDIC, Deposits as of June 30, 2022

# 2022 Overview

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RED RIVER BANCSHARES, INC.



# 2022 Financial and Operational Highlights

- Assets decreased 4.4% to \$3.08 billion
- Non-PPP loans HFI<sup>1</sup> increased 15.0% to \$1.92 billion
- Deposits decreased 3.8% to \$2.80 billion
- Repurchased 4,465 shares of common stock at an aggregate cost of \$218,000
- Record high net income of \$36.9 million for 2022
- EPS (diluted) was \$5.13 and ROA was 1.18%
- Net interest income for 2022 increased 20.8%, or \$14.9 million, to \$86.6 million
- NIM FTE increased 26 bps to 2.86%
- Opened first full-service banking centers in our Acadiana and New Orleans Markets
- Opened the new operations center building

(dollars in thousands, except per share data)	For the Year Ended	
	12/31/22	12/31/21
Assets	\$ 3,082,686	\$ 3,224,710
Non-PPP Loans HFI <sup>1</sup>	\$ 1,916,253	\$ 1,666,282
Deposits	\$ 2,798,936	\$ 2,910,348
Stockholders' Equity	\$ 265,753	\$ 298,150
Book Value Per Share	\$ 36.99	\$ 41.52
Tangible Book Value Per Share <sup>1</sup>	\$ 36.78	\$ 41.31
Realized Book Value Per Share <sup>1</sup>	\$ 46.90	\$ 42.05
Loans HFI to Deposits Ratio	68.46%	57.86%
Noninterest-bearing Deposits to Deposits Ratio	38.96%	39.50%
NPAs to Assets	0.08%	0.03%
NPLs to Loans HFI	0.12%	0.02%
Allowance for Loan Losses to Loans HFI	1.08%	1.14%
Stockholders' Equity to Assets	8.62%	9.25%
Tangible Common Equity to Tangible Assets <sup>1</sup>	8.57%	9.20%
Total Risk-Based Capital Ratio	17.39%	17.83%
Tier 1 Risk-Based Capital Ratio	16.38%	16.76%
Leverage Ratio	10.71%	9.67%

(dollars in thousands except per share data)	For the Year Ended	
	12/31/22	12/31/21
Net Income	\$ 36,916	\$ 32,952
EPS, Diluted	\$ 5.13	\$ 4.51
Cash Dividends Per Share	\$ 0.28	\$ 0.28
ROA	1.18%	1.13%
ROE	13.98%	11.21%
NIM FTE	2.86%	2.60%
Efficiency Ratio	56.60%	56.39%
Net Charge-offs to Average Loans	0.02%	0.04%

<sup>1</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.





# 2022 Selected Income Comparison

(dollars in thousands)	For the Year Ended		Variance	
	12/31/22	12/31/21	\$	%
Interest and Dividend Income, excluding SBA PPP <sup>1</sup>	\$ 93,705	\$ 71,566	\$ 22,139	30.9%
SBA PPP Loan Income	670	5,773	(5,103)	(88.4%)
Total Interest and Dividend Income	\$ 94,375	\$ 77,339	\$ 17,036	22.0%
Interest Expense	7,736	5,617	2,119	37.7%
Net Interest Income	\$ 86,639	\$ 71,722	\$ 14,917	20.8%
Mortgage Loan Income	\$ 3,096	\$ 8,676	\$ (5,580)	(64.3%)
Net Income	\$ 36,916	\$ 32,952	\$ 3,964	12.0%

- Net interest income was positively impacted by the higher interest rate environment in 2022 and an improved asset mix
- SBA PPP Loans were materially complete as of December 31, 2022
  - SBA PPP income decreased in 2022 due to fewer SBA PPP loans
- Mortgage loan income decreased due to rising mortgage interest rates and home prices, as well as limited housing stock available for purchase in 2022

<sup>1</sup> Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2.

# First Quarter 2023

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RED RIVER BANCSHARES, INC.



# First Quarter 2023 Financial Results

- Slightly lower deposits and assets
- Consistent loans
- Solid liquidity
- No borrowings
- Consistent, good asset quality
- Well capitalized
- Net income decreased due to lower net interest income
- EPS, diluted decreased by \$0.09 to \$1.33 for 1Q23
- Net interest income and NIM FTE were negatively impacted by increased deposit rate pressures
- NPAs to assets ratio consistent at 0.08%
- ACL to loans HFI ratio = 1.09%
- Tangible Common Equity to Tangible Assets<sup>1</sup> = 9.08%
- Well capitalized: Leverage Ratio = 11.02%

(dollars in thousands, except per share data)	1Q23	4Q22	1Q22
Net Income	\$ 9,598	\$ 10,191	\$ 7,392
EPS, Diluted	\$ 1.33	\$ 1.42	\$ 1.03
Book Value Per Share	\$ 38.54	\$ 36.99	\$ 36.91
Tangible Book Value Per Share <sup>1</sup>	\$ 38.33	\$ 36.78	\$ 36.69
Realized Book Value Per Share <sup>1</sup>	\$ 48.09	\$ 46.90	\$ 43.02
Cash Dividends Per Share	\$ 0.08	\$ 0.07	\$ 0.07
ROA	1.28%	1.33%	0.93%
ROE	14.33%	16.34%	10.27%
NIM FTE	3.13%	3.17%	2.46%
Efficiency Ratio	56.84%	54.76%	60.80%
Loans HFI to Deposits	70.36%	68.46%	59.47%
Noninterest-bearing Deposits to Deposits	38.81%	38.96%	40.34%
NPAs to Assets	0.08%	0.08%	0.03%
ACL to Loans HFI	1.09%	1.08%	1.11%
Net Charge-offs to Average Loans	0.00%	0.00%	0.00%
Assets	\$ 3,030,582	\$ 3,082,686	\$ 3,212,460
Loans HFI	\$ 1,921,850	\$ 1,916,267	\$ 1,741,026
Deposits	\$ 2,731,385	\$ 2,798,936	\$ 2,927,728
Stockholders' Equity	\$ 276,640	\$ 265,753	\$ 264,874
Realized Common Equity <sup>1</sup>	\$ 345,181	\$ 336,919	\$ 308,693
Stockholders' Equity to Assets	9.13%	8.62%	8.25%
Tangible Common Equity to Tangible Assets <sup>1</sup>	9.08%	8.57%	8.20%
Total Risk-Based Capital Ratio	17.89%	17.39%	17.28%
Leverage Ratio	11.02%	10.71%	9.51%

<sup>1</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.



# Balance Sheet

- Loans HFI consistent at \$1.92 billion
- Deposits decreased \$67.6 million, or 2.4%, due to customer deposit movement and activity, combined with seasonal drawdowns by public entity customers
- Securities decreased \$10.8 million from 4Q22
  - Sold \$6.0 million of the CRA mutual fund
  - Principal repayments
- Noninterest-bearing deposits to deposits ratio = 38.81%
- Loans HFI to deposits ratio = 70.36%
- No brokered deposits
- No subordinated debt or other borrowings

(dollars in thousands)	As of	
	3/31/23	12/31/22
<b>Assets</b>		
Cash and due from banks	\$ 34,491	\$ 37,824
Interest-bearing deposits in other banks	194,727	240,568
Securities AFS, at fair value	611,794	614,407
Securities HTM, at amortized cost	149,417	151,683
Equity securities, at fair value	4,010	9,979
Loans HFS	2,046	518
Loans HFI	1,921,850	1,916,267
Allowance for credit losses	(20,854)	(20,628)
Other assets	133,101	132,068
<b>Total Assets</b>	<b>\$ 3,030,582</b>	<b>\$ 3,082,686</b>
<b>Liabilities</b>		
Noninterest-bearing deposits	\$ 1,060,042	\$ 1,090,539
Interest-bearing deposits	1,671,343	1,708,397
<b>Total Deposits</b>	<b>2,731,385</b>	<b>2,798,936</b>
Other liabilities	22,557	17,997
<b>Total Liabilities</b>	<b>2,753,942</b>	<b>2,816,933</b>
<b>Total Stockholders' Equity</b>	<b>276,640</b>	<b>265,753</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 3,030,582</b>	<b>\$ 3,082,686</b>



# Liquidity and Borrowing Availability

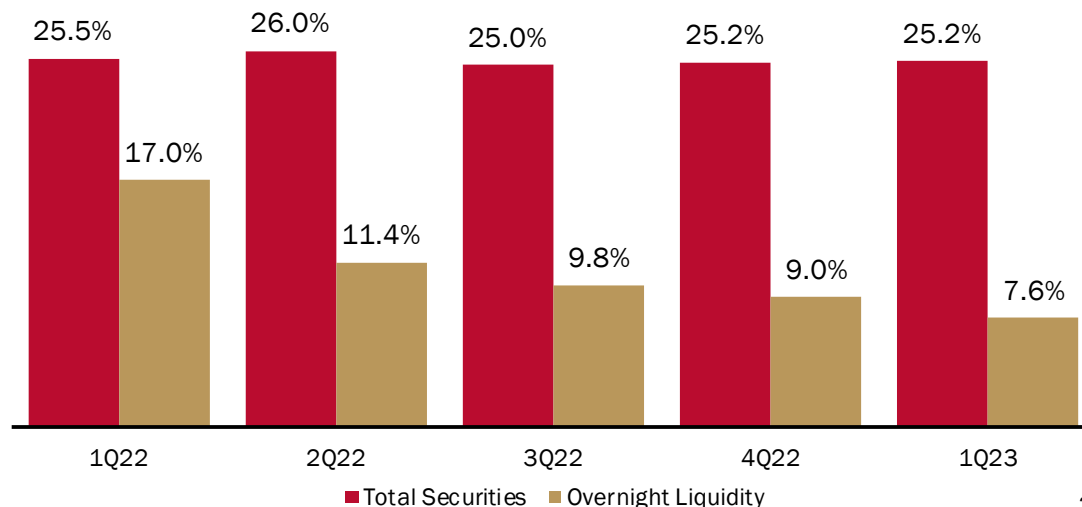
## Liquidity

- Cash and cash equivalents = \$229.2 million and 7.6% of assets as of 3/31/23 with \$241.7 million average for 1Q23
- Securities AFS, unpledged = \$422.7 million
- Estimated cash flows from securities, assuming consistent interest rates
  - \$100.0 million principal repayments from April to December 2023
  - \$120.0 million principal repayments in 2024

## Borrowing Availability

- \$1.35 billion in available borrowing capacity, with no borrowings outstanding, through the following sources:
  - Federal Home Loan Bank = \$876.0 million, net of \$15.9 million of letters of credit pledged for public entity deposits
  - Federal Funds Lines = \$95.0 million
  - Other revolving lines = \$6.0 million
  - Bank Term Funding Program = approximately \$377.0 million of eligible securities available as collateral

**Securities / Assets vs.  
Overnight Liquidity / Assets**  
(end of period)





# Securities

## Key Securities Metrics as of March 31, 2023

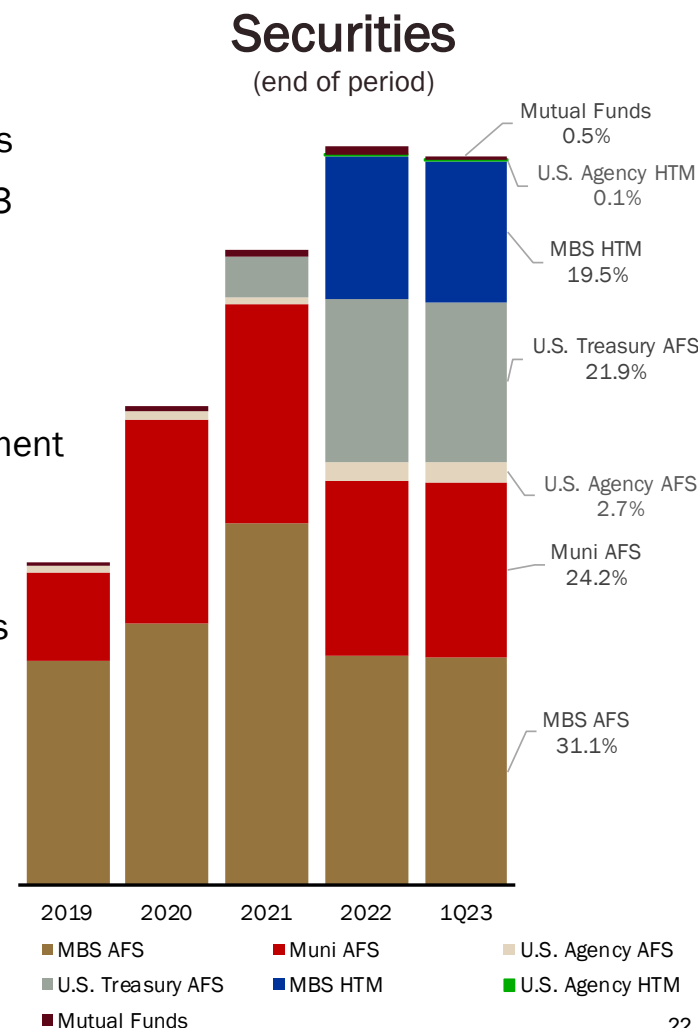
- Securities AFS portfolio at fair value = \$611.8 million, net of \$71.2 million unrealized loss
- Securities HTM portfolio at amortized cost = \$149.4 million
- Unrealized loss on HTM portfolio = \$19.9 million
- 1Q23 yield = 1.69%
- Effective duration = 4.9 years
- Estimated cash flows from securities, assuming consistent interest rates
  - \$100.0 million principal repayments from April to December 2023
  - \$120.0 million principal repayments in 2024
- Pledged as collateral for public entity deposits = \$202.1 million
- Available as collateral for Bank Term Funding Program = \$377.0 million
- FNMA CMBS = \$3.8 million with the implicit backing of the U.S. government
  - No private label CMBS
- No corporate equity securities
- No investment in subordinated debentures of other financial institutions

## Securities AFS Activity 1Q23

- Purchased = \$8.8 million, yield of 3.59%
- No sales

## Equity Securities as of March 31, 2023

- CRA mutual fund consisted primarily of bonds = \$4.0 million
- Sold \$6.0 million of this fund in March 2023



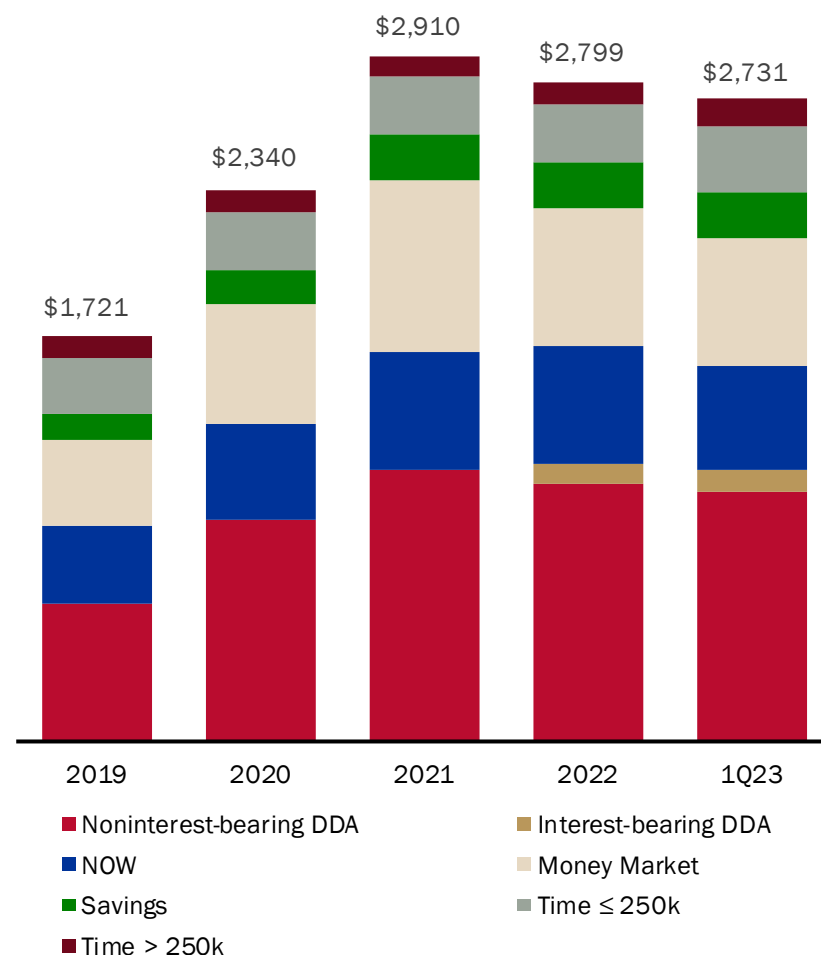


# Deposits

- Deposits were \$2.73 billion as of March 31, 2023, a decrease of \$67.6 million, or 2.4%, compared to 4Q22, due to the changing interest rate environment impacting customer deposit movement and activity, combined with normal seasonal drawdowns by public entity customers
- Noninterest-bearing deposits to deposits ratio = 38.81%
- Loans HFI to deposits ratio = 70.36%
- Cost of deposits = 0.71%
- No internet-sourced or brokered deposits

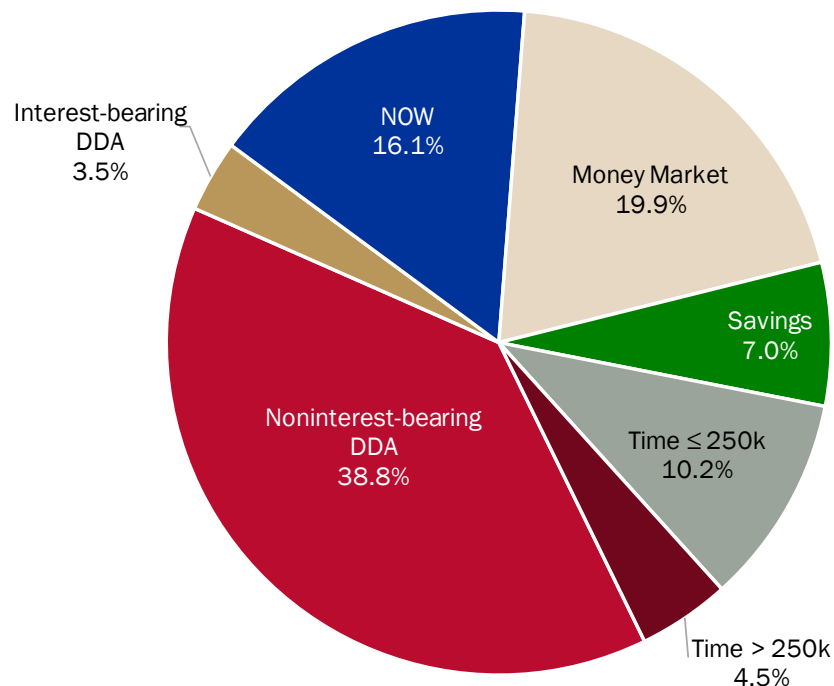
## Total Deposits

(dollars in millions)



## Deposit Mix

As of March 31, 2023





# Deposit Characteristics

- Granular, diversified deposit portfolio and customer base throughout Louisiana

- Average deposit account size = \$29,000

- Public entity deposits

- Relationship-based Louisiana public entities

- Public entity deposits = \$214.7 million, 7.9% of deposits

- Average deposit account size = \$1.0 million

- IntraFi Network ICS Reciprocal Deposit Program

- Offer ICS products to commercial customers for 100% FDIC insurance

- ICS Outgoing sweep = \$96.9 million

- ICS Reciprocal funds received (Interest-bearing DDA) = \$97.2 million with an interest rate of 3.4%, 3.5% of deposits

- Estimated Uninsured Deposits

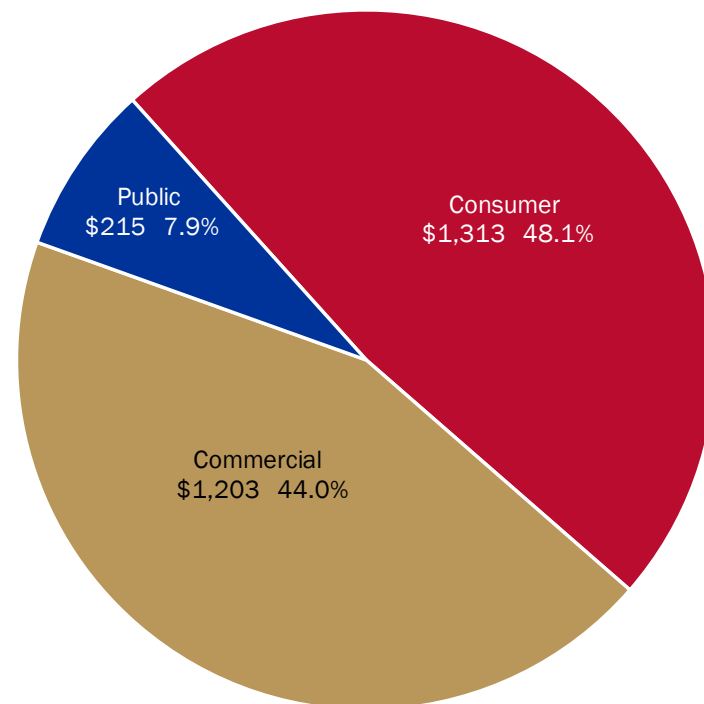
- Estimated uninsured deposits<sup>1</sup> = \$871.6 million, 31.9% of deposits

- Estimated uninsured deposits, excluding collateralized public funds<sup>2</sup> = \$698.0 million, 25.6% of deposits

- Cash and cash equivalents combined with available borrowings represent 181.6% of estimated uninsured deposits and 226.8% of estimated uninsured deposits, excluding collateralized public funds

## Deposits by Customer Type

As of March 31, 2023  
(dollars in millions)



<sup>1</sup>Calculated based on the same methodologies and assumptions used for regulatory reporting purposes

<sup>2</sup>Public entity deposits above the FDIC insurance limit are fully collateralized



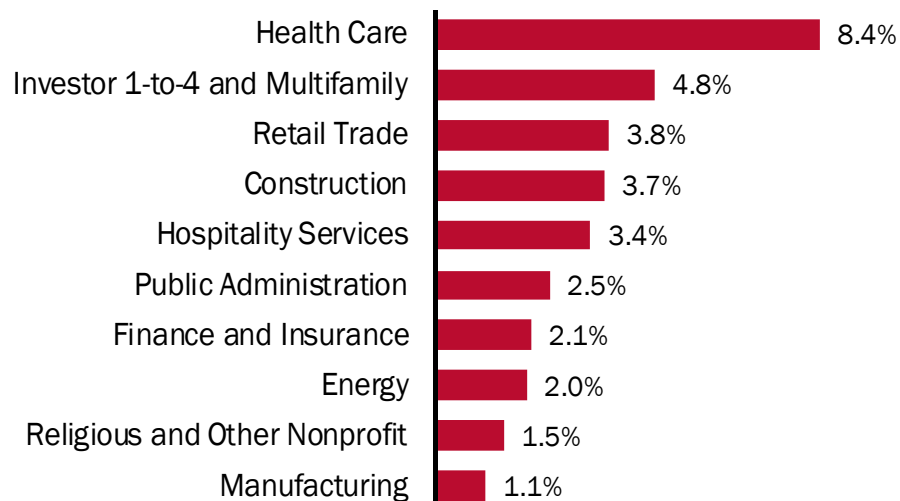


# Loan Portfolio Overview

- Loans HFI = \$1.92 billion
- Broad diversification by industry
- Highest industry concentration = Health Care at 8.4%
- Average loan size excluding credit cards = \$234,000
- Loans indexed to LIBOR = \$27.0 million, or 1.4% of loans HFI

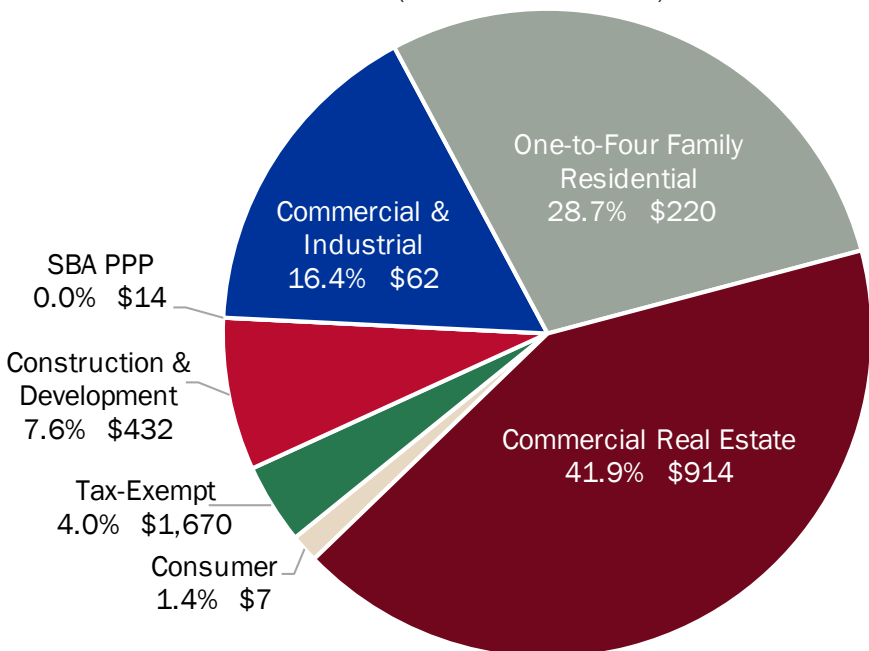
## Largest Industry Concentrations

As of March 31, 2023



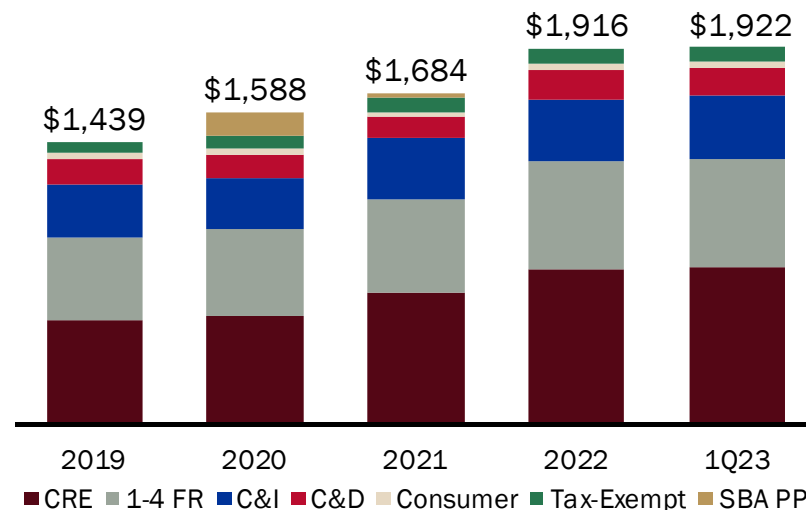
## Total Loans HFI % Mix and Average Loan Size

As of March 31, 2023  
(dollars in thousands)



## Total Loans HFI

(dollars in millions)





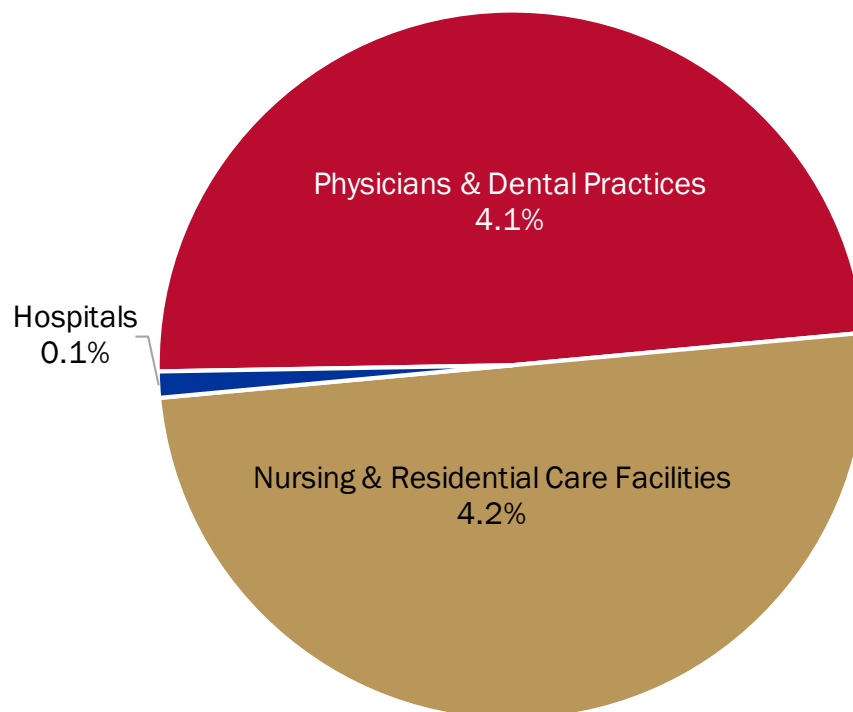
# Health Care Loans

- Largest industry concentration
- Health care loans = \$160.2 million, or 8.4%, of loans HFI
- Average loan size = \$332,000
- No shared national credits, real estate investment trusts, or assisted living facilities
- Skilled nursing care facilities operate under a certificate of need system in Louisiana
- Nursing facilities are managed by Louisiana-based owner operators

## Health Care Loans by Subtype

### % of Loans HFI

As of March 31, 2023



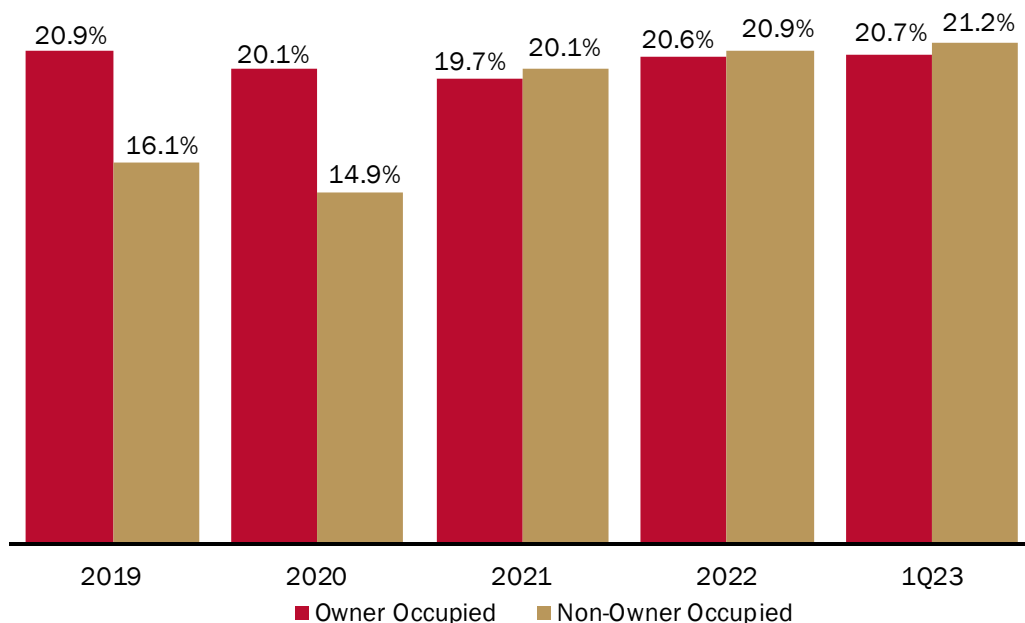


# Commercial Real Estate Loans

- CRE = \$805.2 million, or 41.9% of loans HFI
  - Investor-owned office properties = \$59.7 million, or 3.1% of loans HFI
- C&D = \$146.0 million, or 7.6% of loans HFI
- Low levels of CRE relative to state, regional, and national peers
- CRE concentration ratios as a % of risk-based capital are well below bank regulatory guidelines
  - CRE Ratio = 156.3%
  - C&D Ratio = 41.2%
- CRE criticized loans = \$7.9 million, or 1.0% of total CRE loans, 0.4% of loans HFI
- CRE NPLs = \$719,000, or 0.09% of total CRE loans, 0.04% of loans HFI

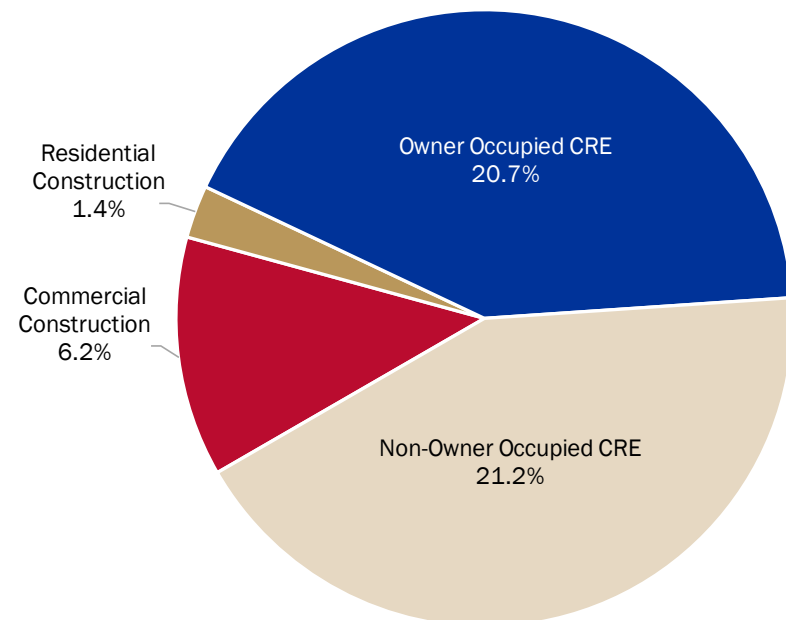
## CRE / Loans HFI

As of March 31, 2023



## CRE and C&D Categories / Loans HFI

As of March 31, 2023





# CECL UPDATE

## Adopted CECL methodology as of January 1, 2023

- \$278,000 increase to ACL
- Established a \$442,000 reserve for unfunded commitments
- Combined 3.5% increase to December 31, 2022 allowance for loan losses
- One-time \$569,000, net of tax, decrease to stockholders' equity
- No provision expense recorded in 1Q23

## Methodologies

- Cohort Loss Rate methodology (static pool analysis) used for loan segments > \$50.0 million
  - Tracks cohort over their remaining lives to determine their loss behavior
- Remaining Life Loss Rate methodology used for loan segments < \$50.0 million
  - The calculated loss rate is applied to the loan segment periodically, based on the remaining life expectancy of the segment
- Loan portfolio is segmented by regulatory call report code
- For loans that do not share general risk characters with segments, we estimate specific reserves on an individual basis



# Loans By Market

- Expanding operations in Southwest, Acadiana, Northshore, and Capital Markets
- Opened an LDPO and a full-service banking center in the New Orleans Market

## Opportunities and Challenges to Future Loans

### Opportunities

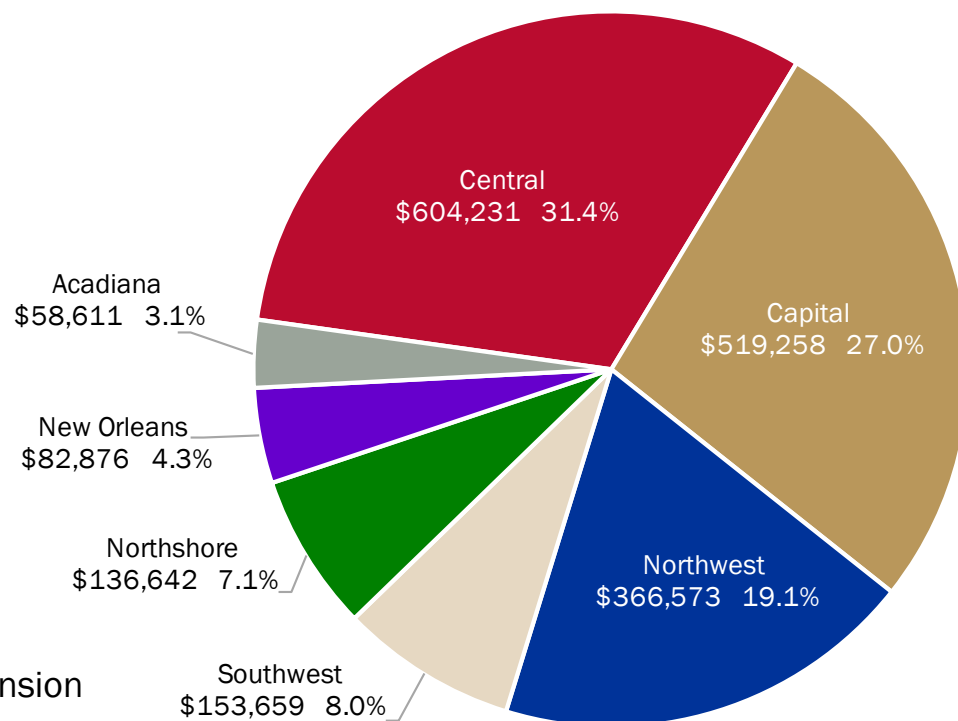
- Expansion in larger Louisiana markets
- Competitor disruption
- New lender capacity

### Challenges

- Higher rates impacting future borrowing activity
- Economic uncertainty and inflation
- Slowing loan demand
- Robust competition for new loans
- Tight labor market hampering some business expansion

## Loans HFI

Originated by geographic market  
As of March 31, 2023  
(dollars in thousands)



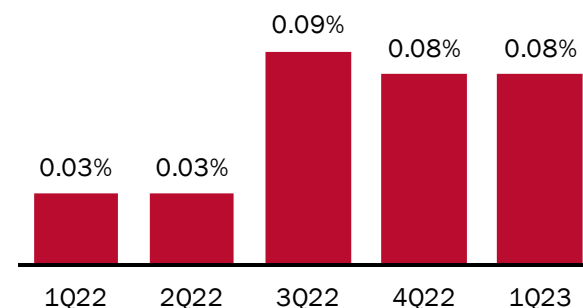


# Asset Quality

- NPAs consistent at \$2.4 million
  - NPAs to Assets = 0.08%
- No provision expense recorded in 1Q23 under the new CECL methodology
- ACL to loans HFI = 1.09%
- Net charge-offs to average loans since Red River Bank's opening in 1999 = 0.06%

## NPAs / Assets

(end of period)



## Asset Quality Metrics

As of and for the quarter ended

(dollars in thousands)	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23
NPLs	\$ 313	\$ 311	\$ 2,715	\$ 2,366	\$ 2,361
NPLs to Loans HFI	0.02%	0.02%	0.14%	0.12%	0.12%
NPAs	\$ 973	\$ 971	\$ 2,715	\$ 2,366	\$ 2,383
NPAs to Assets	0.03%	0.03%	0.09%	0.08%	0.08%
Criticized Loans	\$ 9,942	\$ 27,142	\$ 25,814	\$ 22,776	\$ 21,944
CLs to Loans HFI	0.57%	1.48%	1.37%	1.19%	1.14%
Provision Expense	\$ 150	\$ 250	\$ 600	\$ 750	\$ -
ACL to Loans HFI	1.11%	1.05%	1.06%	1.08%	1.09%
Net Charge-offs to Average Loans	0.00%	0.01%	0.00%	0.00%	0.00%



# Capital

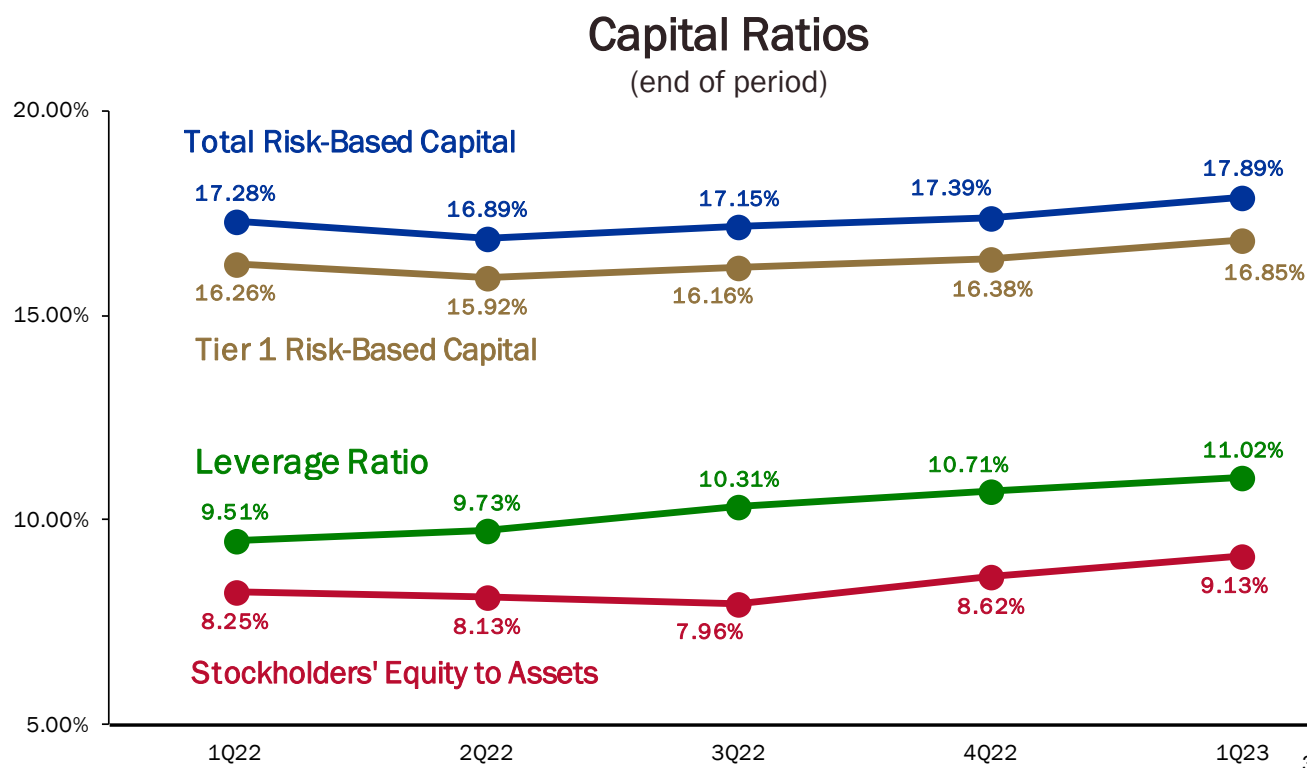
- Well capitalized position
- Includes \$68.5 million of net unrealized losses on securities AFS and HTM, 24.8% of capital as of March 31, 2023
- Stock repurchase programs
  - Repurchase Program renewed February 4, 2022 for \$5.0 million and expired December 31, 2022
    - 2022 – Repurchased 4,465 shares of common stock for \$218,000
  - Repurchase Program renewed for 2023 for \$5.0 million and will expire December 31, 2023
    - 1Q23 – Repurchased 6,795 shares of common stock for \$346,000

- Quarterly dividend increased to \$0.08 per share in 1Q23

- In 3Q22, filed shelf registration statement for up to \$100 million of various securities

- Capital priorities

- Remain well capitalized
- Support organic growth
- Dividends
- Stock buybacks
- Acquisitions

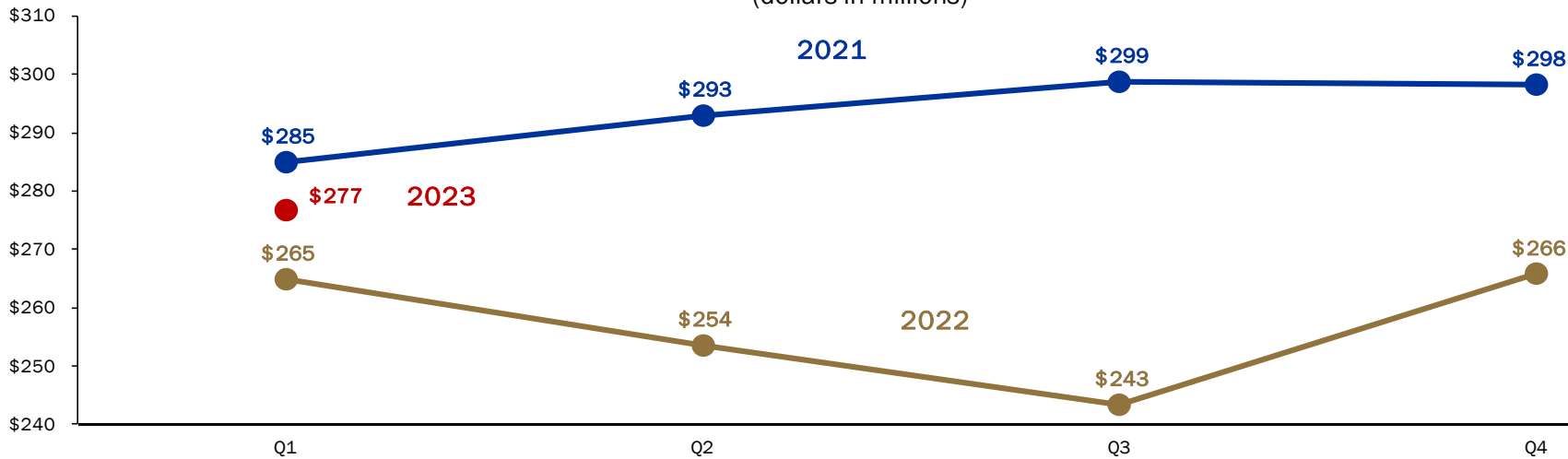


# Stockholders' Equity Trends



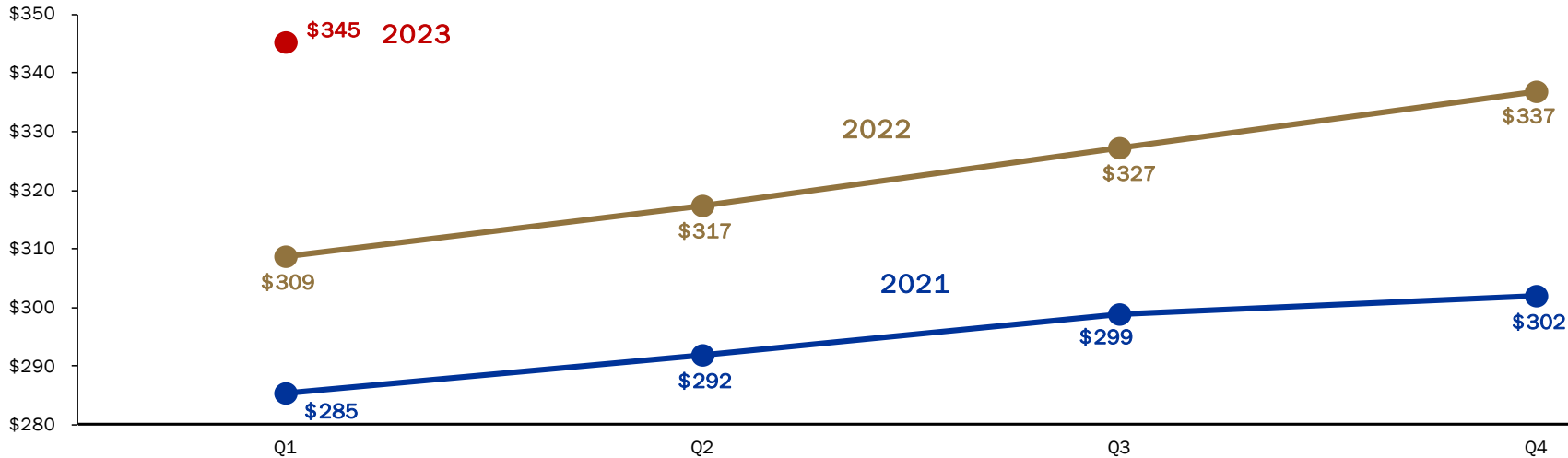
## Total Stockholders' Equity

(dollars in millions)



## Realized Stockholders' Equity<sup>1</sup>

(dollars in millions)



<sup>1</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.

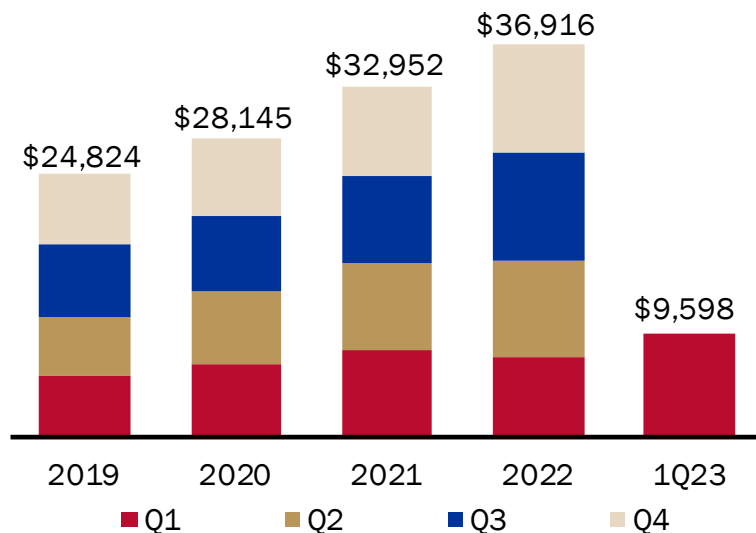




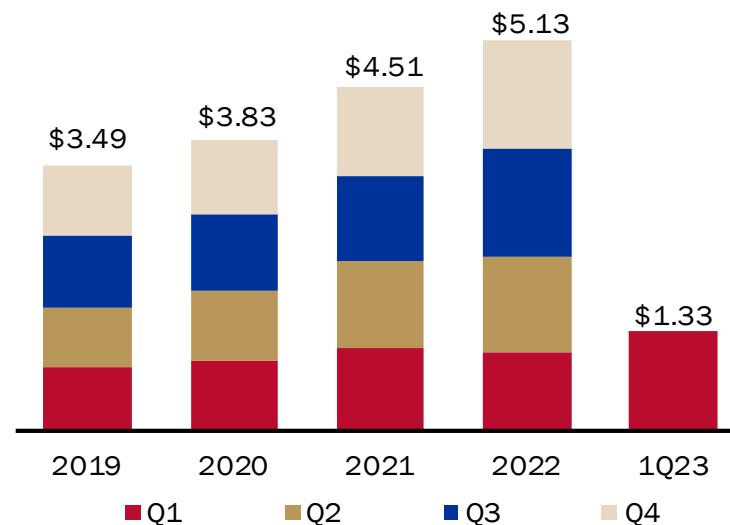
# Profitability Trends

## Net Income

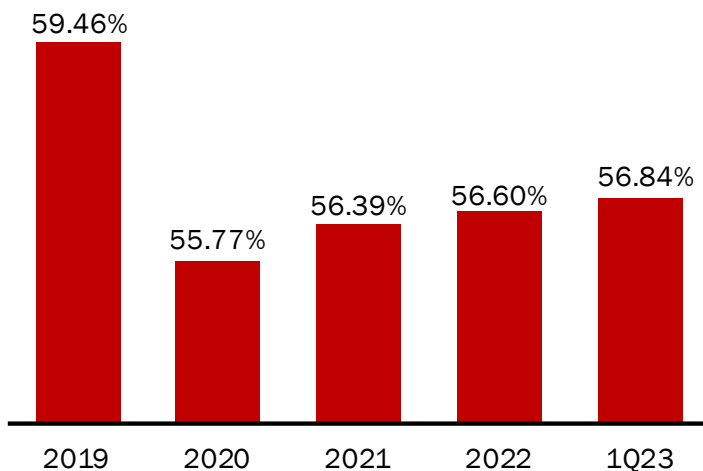
(dollars in thousands)



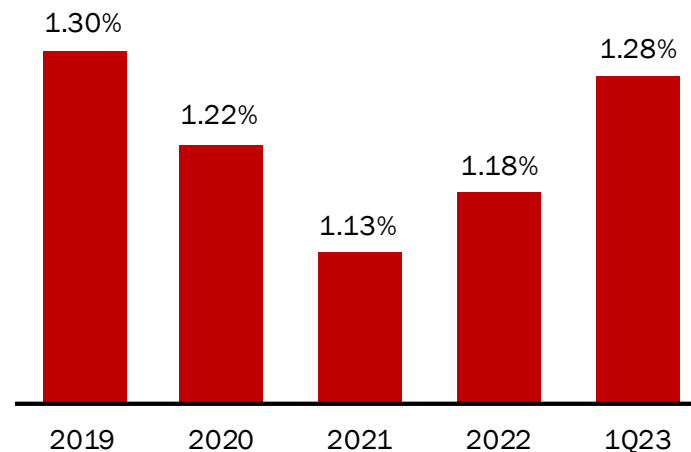
## Earnings Per Share (Diluted)



## Efficiency Ratio



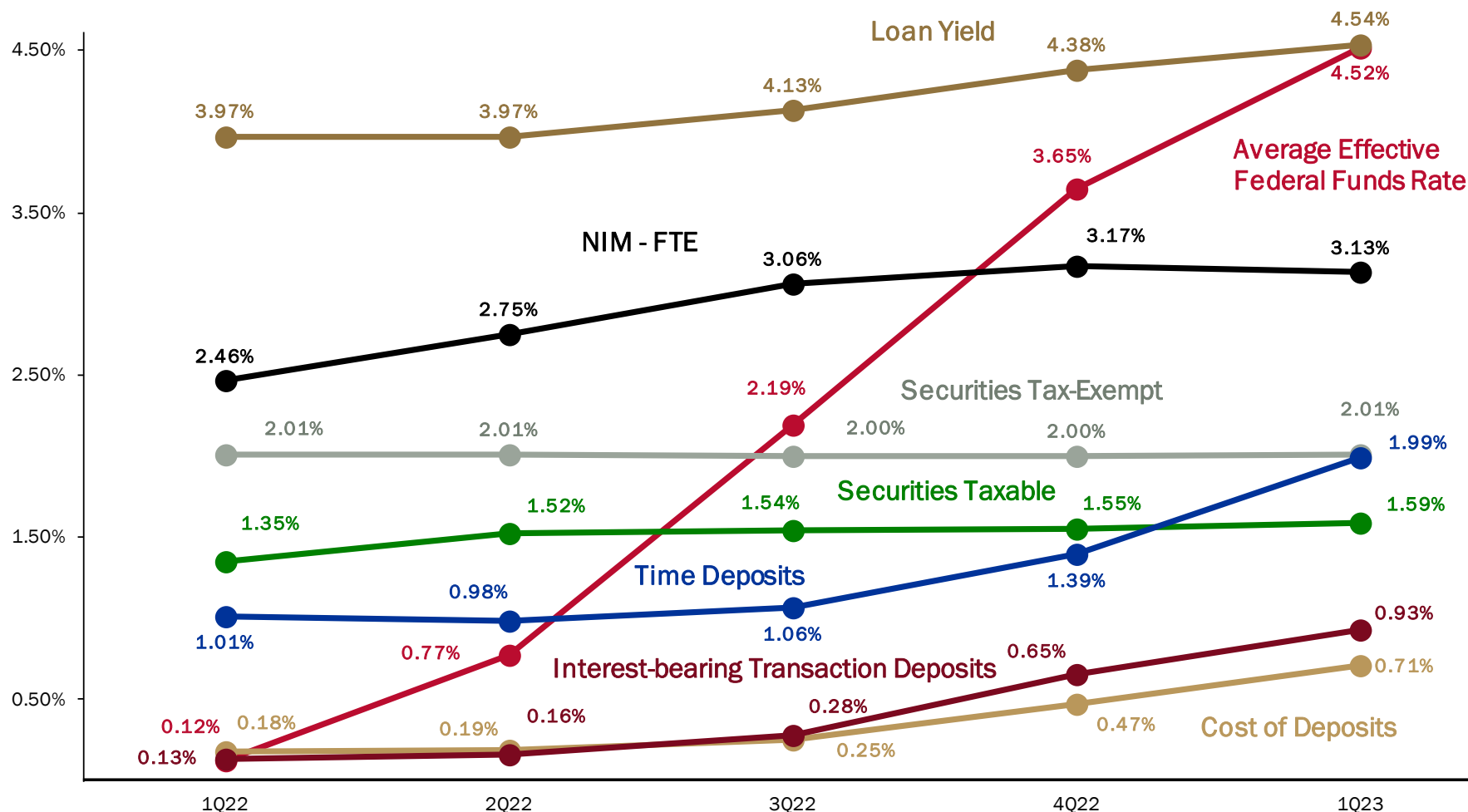
## Return on Average Assets





# Net Interest Margin FTE (1Q23 vs. 4Q22)

- NIM FTE decreased 4 bps to 3.13% for 1Q23 due to deposit pressures in the banking industry
- Rates on new and renewed loans were 6.68% in 1Q23 compared to 6.25% in 4Q22
- Increased selected deposit rates to retain and attract customers
- Customers moved deposits from lower yielding accounts to higher yielding accounts
- Cost of deposits increased 24 bps in 1Q23 to 0.71%





# Net Interest Margin Update

## Rates and Betas – 1Q23 vs 4Q22

- Loan yield – increased 16 bps to 4.54% (19% beta)
- Earning asset yield – increased 18 bps to 3.73% (21% beta)
- Interest-bearing transaction deposits – increased 28 bps to 0.93% (32% beta)
- Time deposits – increased 60 bps to 1.99% (69% beta)
- Cost of deposits – increased 24 bps to 0.71% (28% beta)

## Expectations

- Deposit rates may increase more than earning asset yields
- Slightly lower net interest income and net interest margin in 2Q23 and 3Q23
- Dependent upon
  - Future Federal Funds and other rates
  - Balance sheet activity
  - Deposit rate pressure
  - Deposit mix shift
  - Loan demand

## NIM Opportunity

- Deploy investment cash flows into higher yielding assets
- Growth opportunity in new and legacy markets

## NIM Challenges

- Uncertainty regarding future interest rate environment
- Deposit rate pressures
- Deposit mix shift to higher cost products
- Uncertainty regarding customer deposit activity
- Competition for new loans

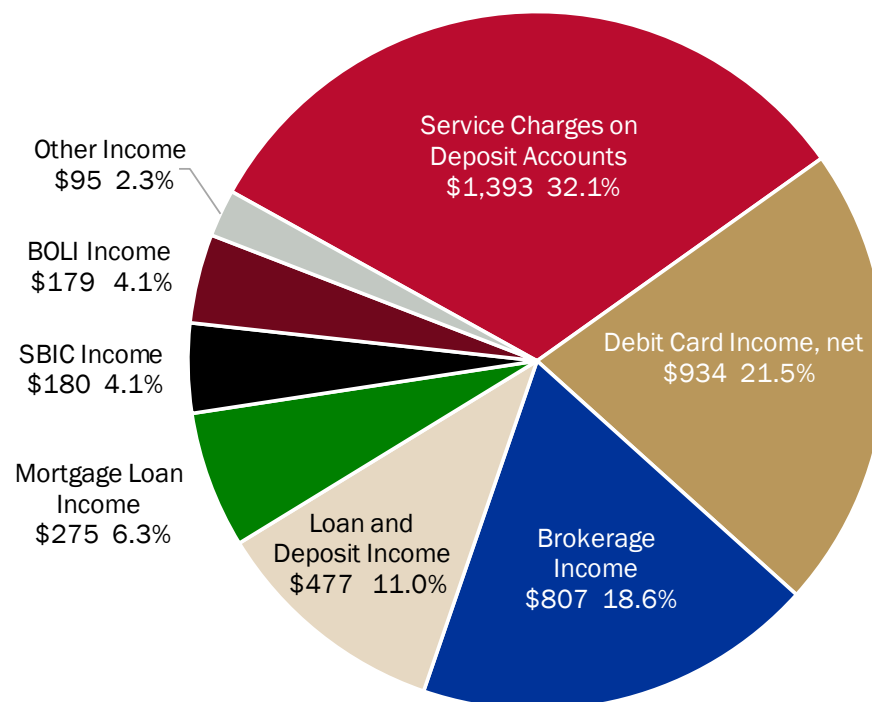


# Noninterest Income (1Q23 vs. 4Q22)

- Noninterest income decreased \$279,000 to \$4.3 million for 1Q23
- Brokerage income decreased \$206,000 from 4Q22, due to 4Q22 being benefitted by funds invested by new clients during that period
  - Assets under management = \$965.2 million
  - Program ranked in the top 6% out of all LPL Financial Institutions<sup>1</sup>
- Mortgage loan income decreased \$178,000 due to reduced purchase activity as a result of higher mortgage interest rates

## Noninterest Income

For the quarter ended March 31, 2023  
(dollars in thousands)



<sup>1</sup>Source: Based on reports from LPL Financial's Resource Center for LPL Financial Institutions

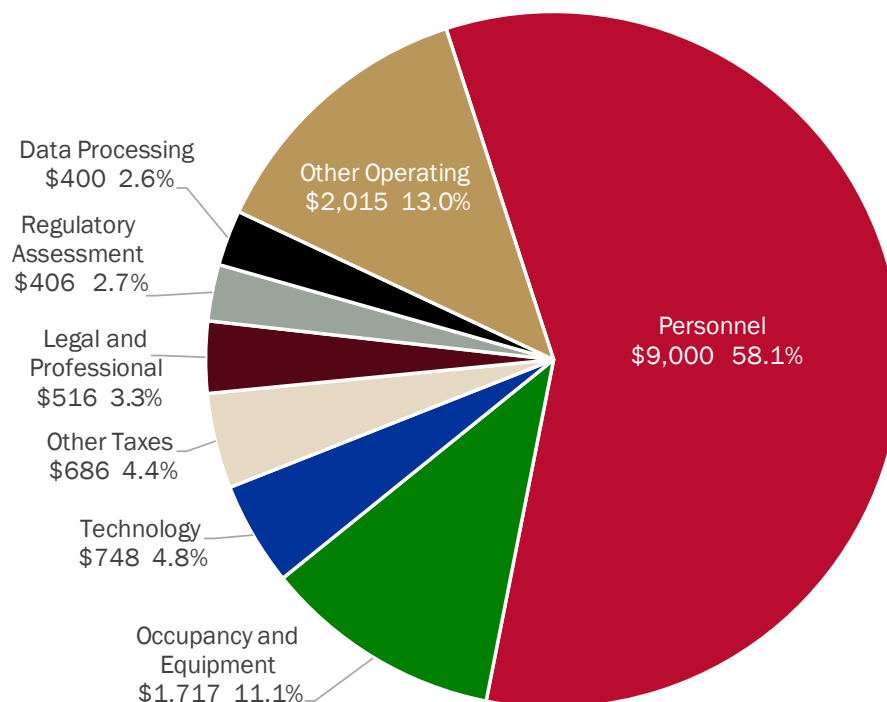


# Operating Expenses (1Q23 vs. 4Q22)

- Operating expenses increased \$406,000 to \$15.5 million for 1Q23
- Personnel expenses increased \$319,000 due to higher health insurance expenses
- Regulatory assessment expenses increased \$129,000 due to the FDIC raising the deposit insurance assessment rate 2 bps, effective January 1, 2023, on all banks
- Occupancy and equipment expenses increased \$104,000 due to \$161,000 of nonrecurring expenses related to opening the new operations center building
  - 1Q23 – In Southwest market, closed Lake Street Banking Center and moved staff to the Country Club Banking Center
- Data processing expense decreased \$209,000 due to receipt of a \$252,000 periodic refund from our data processing center
- Other business development expenses decreased \$130,000 due to timing of CRA related contributions

## Operating Expenses

For the quarter ended March 31, 2023  
(dollars in thousands)





# Expansion Highlights

## Southwest Market – Lake Charles, Louisiana

- 3Q22 – Expanded the Country Club Banking Center with a 3,600 square-foot addition
- 1Q23 – Closed Lake Street and moved staff to the Country Club Banking Center

## Acadiana Market – Lafayette, Louisiana

- 1Q22 – Remodeled and opened as a full-service banking center on January 26, 2022
- 2Q22 – Closed LDPO and moved staff to the Pinhook Banking Center

## New Orleans Market – New Orleans, Louisiana

### Baronne Street Banking Center

- 2Q22 – Leased an existing banking center location in downtown New Orleans
- 3Q22 – Opened as a full-service banking center on August 1, 2022

### Veterans Memorial Boulevard Banking Center

- 1Q22 – Purchased land in Metairie, Louisiana (a New Orleans suburb)
- 3Q23 – Construction projected to start on a new full-service banking center

## Central Market – Alexandria, Louisiana

- 4Q22 – Remodeled and opened the new operations center building, a 21,000 square foot building that provides an efficient facility for operations and support departments, as well as improve our business continuity plan



# Strategic Outlook

- Continue building a strong, Louisiana-based, super-community bank by leveraging existing infrastructure and creating strong brand loyalty
- Continue disciplined capital management
- Manage liquidity
- Manage deposit pricing due to intensified rate pressure
- Manage net interest income and net interest margin in a changing interest rate environment
- Monitor asset quality trends and maintain appropriate level of allowance for credit losses
- Disciplined focus on personal, relationship banking and building shareholder value
- Continue *de novo*, organic expansion strategy
- Expand market share in newer South Louisiana markets
- Monitor markets for opportunity for organic growth or key acquisitions
- Continue to build out digital offerings as needed in order to serve our target customer base
- Continue to expand mortgage operations and investments division across markets
- Seek to take advantage of disruption in the marketplace

## Summary

Well positioned for the future

Strong liquidity, borrowing capacity, and no debt

Granular, diversified deposit portfolio

Diversified loan portfolio with good asset quality

Well capitalized with 11.02% leverage ratio as of March 31, 2023





**RED RIVER BANCSHARES, INC.**

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# **APPENDIX**



# Non-GAAP Reconciliation

<i>(dollars in thousands, except per share data)</i>	As of and for the Years Ended			
	3/31/23	12/31/22	3/31/22	12/31/21
<b>Tangible common equity</b>				
Total stockholders' equity	\$ 276,640	\$ 265,753	\$ 264,874	\$ 298,150
Adjustments:				
Intangible assets	(1,546)	(1,546)	(1,546)	(1,546)
<b>Total tangible common equity (non-GAAP)</b>	<b>\$ 275,094</b>	<b>\$ 264,207</b>	<b>\$ 263,328</b>	<b>\$ 296,604</b>
Common shares outstanding	7,177,650	7,183,915	7,176,365	7,180,155
Book value per common share	\$ 38.54	\$ 36.99	\$ 36.91	\$ 41.52
Tangible book value per common share (non-GAAP)	\$ 38.33	\$ 36.78	\$ 36.69	\$ 41.31
<b>Tangible assets</b>				
Total assets	\$ 3,030,582	\$ 3,082,686	\$ 3,212,460	\$ 3,224,710
Adjustments:				
Intangible assets	(1,546)	(1,546)	(1,546)	(1,546)
<b>Total tangible assets (non-GAAP)</b>	<b>\$ 3,029,036</b>	<b>\$ 3,081,140</b>	<b>\$ 3,210,914</b>	<b>\$ 3,223,164</b>
Total stockholders' equity to assets	9.13%	8.62%	8.25%	9.25%
Tangible common equity to tangible assets (non-GAAP)	9.08%	8.57%	8.20%	9.20%
<b>Non-PPP loans HFI</b>				
Loans HFI	\$ 1,921,850	\$ 1,916,267	\$ 1,741,026	\$ 1,683,832
Adjustments:				
PPP loans, net	(14)	(14)	(6,397)	(17,550)
<b>Non-PPP loans HFI (non-GAAP)</b>	<b>\$ 1,921,836</b>	<b>\$ 1,916,253</b>	<b>\$ 1,734,629</b>	<b>\$ 1,666,282</b>



# Non-GAAP Reconciliation (continued)

<i>(dollars in thousands, except per share data)</i>	As of				
	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
<b>Realized common equity</b>					
Total stockholders' equity	\$ 276,640	\$ 265,753	\$ 243,413	\$ 253,596	\$ 264,874
Adjustments:					
Accumulated other comprehensive (income) loss	68,541	71,166	83,744	63,804	43,819
<b>Total realized common equity (non-GAAP)</b>	<b>\$ 345,181</b>	<b>\$ 336,919</b>	<b>\$ 327,157</b>	<b>\$ 317,400</b>	<b>\$ 308,693</b>
Common shares outstanding	7,177,650	7,183,915	7,183,915	7,176,365	7,176,365
Book value per common share	\$ 38.54	\$ 36.99	\$ 33.88	\$ 35.34	\$ 36.91
Realized book value per common share (non-GAAP)	\$ 48.09	\$ 46.90	\$ 45.54	\$ 44.23	\$ 43.02

<i>(dollars in thousands, except per share data)</i>	As of			
	12/31/21	9/30/21	6/30/21	3/31/21
<b>Realized common equity</b>				
Total stockholders' equity	\$ 298,150	\$ 298,688	\$ 292,924	\$ 284,911
Adjustments:				
Accumulated other comprehensive (income) loss	3,773	61	(1,058)	331
<b>Total realized common equity (non-GAAP)</b>	<b>\$ 301,923</b>	<b>\$ 298,749</b>	<b>\$ 291,866</b>	<b>\$ 285,242</b>